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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SOUTHERN DIVISION**

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13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 CAROL J. WAYLAND, JOHN C.
18 MUELLER, KENTUCKY-
19 TENNESSEE 50 WELLS/400 BBLPD
20 BLOCK, LIMITED PARTNERSHIP,
21 HP OPERATIONS, LLC, C.A.R.
22 LEASING, LLC, MITCHELL B.
23 DOW, BARRY LISS, AND STEVE G.
24 BLASKO,

25 Defendants.

26 Case No. 8:17-cv-01156-AG (DFMx)

27 **FINAL JUDGMENT AS TO**
28 **HP OPERATIONS, LLC**

This matter came before the Court upon Plaintiff Securities and Exchange Commission’s (“SEC”) Motion for Summary Judgment against defendants Kentucky-Tennessee 50 Wells/400 BBLPD Block, Limited Partnership, HP Operations, LLC, C.A.R. Leasing, LLC, Carol J. Wayland, Mitchell B. Dow, Barry Liss, and Steve G. Blasko, made pursuant to Federal Rule of Civil Procedure 56. The Court having considered the memoranda and evidence filed by the parties, and all other argument and evidence presented to it, and good cause appearing therefor, granted the SEC’s Motion on April 8, 2019.

On April 18, 2019, the SEC submitted a Supplemental Memorandum of Points and Authorities in support of its motion for permanent injunctions and civil penalties. The Court having considered the memoranda and evidence submitted by the SEC, and all other argument and evidence presented to it, and good cause appearing therefor, grants the SEC's Motion and enters this Final Judgment as to HP Operations, LLC ("Defendant").

I.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
 - (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
 - (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
 - (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
 - (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the

1 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
2 applicable exemption:

- 3 (a) Unless a registration statement is in effect as to a security, making use of
4 any means or instruments of transportation or communication in
5 interstate commerce or of the mails to sell such security through the use
6 or medium of any prospectus or otherwise;
- 7 (b) Unless a registration statement is in effect as to a security, carrying or
8 causing to be carried through the mails or in interstate commerce, by any
9 means or instruments of transportation, any such security for the purpose
10 of sale or for delivery after sale; or
- 11 (c) Making use of any means or instruments of transportation or
12 communication in interstate commerce or of the mails to offer to sell or
13 offer to buy through the use or medium of any prospectus or otherwise
14 any security, unless a registration statement has been filed with the
15 Commission as to such security, or while the registration statement is the
16 subject of a refusal order or stop order or (prior to the effective date of
17 the registration statement) any public proceeding or examination under
18 Section 8 of the Securities Act [15 U.S.C. § 77h].

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
20 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
21 binds the following who receive actual notice of this Final Judgment by personal
22 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
23 attorneys; and (b) other persons in active concert or participation with Defendant or
24 with anyone described in (a).

25 IV.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
27 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
28 Final Judgment.

1 V.
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There being no just reason for delay, pursuant to Rule 54(b) of the Federal
Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
and without further notice.

5 Dated: May 7, 2019
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8 HON. ANDREW J. GUILFORD
9 UNITED STATES DISTRICT JUDGE
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